

24 February 1947

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MEMORANDUM

TO : ADSO

SUBJECT: Travel Advances

Government policy permits the issuance of travel advances to employees affecting a change of station on official business. Under Vouchered Funds procedures the individual is required to execute a bond of a commercial company to guarantee repayment and such an advance is due and payable upon the completion of the travel and the processing of a travel voucher for reimbursement.

In Special Funds the policy is not so clear-cut for several reasons. Security precludes the bonding of such employees with commercial companies. Secondly, financial facilities are frequently not available at the foreign post for prompt processing of the reimbursement vouchers. Thirdly, other elements of expense other than the direct costs of travel are frequently involved in the so-called travel advances made by Special Funds; unusual conditions at the permanent station, lack of financial facilities requiring a more lenient policy as a general rule.

Our current policy defines a travel advance as funds required by the individual in connection with the actual movement of himself, family and household effects from the U.S.A. to the foreign post. Such an advance would normally be repaid within a short period after arrival at the permanent station. Special Funds requires repayment of such advances at a rate not less than 25% per four week pay period. For mechanical reasons such repayment is usually accomplished by payroll deductions in the United States.

Repayment terms at a lesser rate imply that the travel advance is at least in part a personal loan of government funds needed by the individual to effectively establish himself at his permanent station.

Likewise bona fide travel advances are usually small since most actual travel costs are prepaid by this Organization. Special Funds judges the propriety of the amount of a travel advance by the circumstances of travel, including dependency status and conditions at the permanent station. If the amount of the travel advance requested appears excessive it is again indicated that the advance is at least in part a personal loan.

Personal advances from government funds are not permitted by law. If, however, such advances are made for the convenience of

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the government they can be accomplished with the approval of the ADSO. This apparent contradiction of law is due solely to the security requirements of this Organization. A justification for such personal advances depends solely upon the fact that the individual can obtain the necessary personal working capital only by giving this Organization as a credit reference and thereby lessening or destroying his cover. If individual circumstances necessitate such a procedure personal advances can be made from Special Funds.

The request for an advance, therefore, which shall not be repaid at the minimum rate of 25% per four week pay period, or which appears to be excessive in view of the travel circumstances, should be addressed to Special Funds through the ADSO and should include full justification as follows:

- a. The individual will be required to expend large sums of money for the purchase of clothing, supplies, household effects or for establishing permanent quarters in an area where housing is very limited.
- b. The individual does not have available the necessary working capital nor the collateral with which to borrow the necessary sum.
- c. A commercial loan could only be accomplished by giving the organization as a credit reference; a fact which is adverse to the security requirements of the situation.

This policy has never been formalized as instances of such personal loans have been exceedingly few. With the termination of hostilities<sup>and</sup> the loss of military facilities such as requisitions, billets and military supply channels it is increasingly apparent that numerous individuals embarking on a minimum two year overseas tour of duty must expend sizable sums of money to prepare themselves for their foreign posts and to establish themselves upon arrival. It is requested, therefore, that the proposed policy be reviewed and if you concur that this office be so advised.

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